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ABSTRACT

The academic year 1980-1981 annual report of the Planning and Grants Committee (PGC) of the Council for Higher Education in Israel is presented. The PGC is an independent body operating between the Israeli government and the national institutions on the one hand, and the institutions of higher education, on the other, in matters relating to allocations for higher education. The PGC submits budget proposals for higher education, has exclusive authority to make allocations to higher education institutions, and engages in planning for the higher education system. The PGC maintains close contact with the universities, in particular on matters such as budgets, financing, financial reporting, new academic units, and current problems. The official statement of the responsibilities of the PGC is presented, and members/officers and observers are identified. Contents include the Chairman's Review, the Director-General's Report, and supplementary data on budgets, enrollments, and degree recipients. During the 1980/81 academic year, the PGC examined and reassessed its method of dealing with the institutions of higher education. These institutions were placed in their appropriate budgetary frameworks; important changes were made in the channels through which funds are allocated; and detailed discussions were held on certain professions from the points of view of the national economy and higher education as a whole. Allocations to universities include funds for research, the physical development of schools, special projects, and the encouragement of investment in higher education (i.e., providing an incentive to invest donations in endowment funds). Details on the budget and short- and long-range planning are presented. (SW)

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המועצה להשכלה גבוהה

THE COUNCIL FOR HIGHER EDUCATION

הועדה לתכנון ולתקצוב

THE PLANNING AND GRANTS COMMITTEE

Annual Report No. 8

Academic Year 1980/81

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THE COUNCIL FOR HIGHER EDUCATION

THE PLANNING AND GRANTS COMMITTEE

Annual Report No. 8

Academic Year 1980/81

Presented to the Council for Higher Education

March 1982

English Language Version of the Hebrew Original

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THE PLANNING AND GRANTS COMMITTEE (P.G.C.)

Members :

Prof. Haim Harari — Chairman
Prof. Joshua Jortner
Prof. Nehemia Levtzion
Mr. Itzhak Mann
Mr. Simha Soroker
Prof. Daniel Sperber

Observers :

Mr. Uri Laor	— Ministry of Finance
Mr. Zelig Chinitz	— The Jewish Agency (for Prof. William Haber)
Mr. Shmuel Bendor	— Consultant

Administration :

Mr. Gedalia Yaakoby	— Director-General
Miss Ruth Silberberg	— Deputy Director-General and i/c Development
Dr. Meir Zadok	— i/c Planning
Mr. Dov Keren-Ya'ar	— Secretary-General
Mrs. Techia Karcz	— i/c Ordinary Budgets
Mr. Uriel Turniansky	— i/c Statistical Data
Miss Pirhiya Bahar	— Assistant to the Secretary-General

Terms of Reference of the

PLANNING AND GRANTS COMMITTEE

Government Decision No. 666 of June 5, 1977

1. To be an independent body coming between the Government and the national institutions, on the one hand, and the institutions of higher education, on the other, in all matters relating to allocations for higher education. The Government and national institutions shall refrain from receiving requests or recommendations from the institutions of higher education or from any other source. They shall also refrain from allocating funds to an institution of higher education other than on the recommendation of the Planning and Grants Committee.

2. To submit the ordinary and development budget proposals for higher education, taking into account the needs of society and the State, whilst safe-guarding academic freedom and assuring the advancement of research and learning.

3. To have exclusive authority to allocate to the institutions of higher education the global approved ordinary and development budgets.

4. To submit to the Government and to the Council for Higher Education plans for the development of higher education, including their financing.

5. To encourage efficiency in the institutions of higher education and coordination between them with a view to preventing superfluous duplication and encouraging economy.

6. To ensure that budgets are balanced and that there are no deviations from them.

7. To express its opinion to the Council for Higher Education before the Council reaches a decision on the opening of a new institution or a new unit having financial implications in an existing institution. The considered opinion of the P.G.C. will include answers to the following questions :

   (a) Is there a need for the new institution or for the new unit ?

   (b) What are the financial implications of opening the new institution or the new unit ?

   The P.G.C. will determine whether the opening of the new unit has or has not financial implications.

THE CHAIRMAN'S REVIEW

Higher education in Israel is now at a crossroads. A period of rapid growth during the years 1967—1974 ("the seven fat years") has been followed by a period of reorganization, severe budgetary stringencies and, in certain areas, stagnation or retreat during the years 1974—1981 ("the seven lean years"). It must be remembered that higher education touches, either directly or indirectly, upon almost every subject on the agenda of the State. The development of sophisticated industry depends on university trained engineers and scientists and on fundamental research, basic and applied, carried out in the universities sometimes years before reaching industrial application. The educational system is nurtured by research on education, by new programmes of studies and above all by teachers who complete their studies or undertake advanced study in the institutions of higher education. The artistic and cultural life of the country is closely linked to the institutions of higher education through the faculties concerned with the arts — music, the plastic arts, design and theatre among others. Practically all basic research and much of the applied research are done in the universities — from nuclear physics to Jewish mysticism and from advanced agricultural research to Middle Eastern studies. The development of progressive medicine or modern agriculture would be unthinkable but for the university schools of medicine and agriculture. The institutions of higher education make a major contribution to other branches of activity in the country, from defence to the judiciary. When the State reduces the resources made available to higher education the negative results affect not only the universities. First and foremost are affected those national goals that cannot be achieved without the long-range in-depth work of the universities. The damage done is usually noticed only when it is beyond repair. Outdated scientific equipment today means scientific, technological and industrial regression tomorrow. The loss of a generation of young scholars and researchers adversely affects our prospects of maintaining high levels — intellectual and technological — in the years to come. The State will be judged by its ability to allocate to higher education those resources necessary to achieve its objectives. Higher education will be judged by its ability to put these resources to the best and most effective use.

The Planning and Grants Committee (P.G.C.) of the Council for Higher Education, which was established in 1974, accompanied the universities in the "lean" years and played a major role as a shock absorber, preventing severe financial crises and deficits and channelling the shrinking resources to subjects with highest national priorities. We are now at the beginning of

a new period, in which we hope to achieve controlled development, planned growth and the reinstatement of higher education as a leading factor in the intellectual, social and economic development of the country. If we succeed, these will be "the seven healthy years".

The P.G.C. is an independent body coming between the Government and the institutions of higher education. The P. G. C. has been given by the Government and the Council for Higher Education sole authority to allocate the resources appropriated by the Government to higher education and to engage in the planning of the higher education system. In the eighth year of its activity (1980/81) the P.G.C. laid the foundations for planning for the years to come and made significant improvements in its own budgeting procedures.

Any discussion on planning must be accompanied by its detailed budgetary implications. Every decision on methods of budgeting affects the future direction of the development of higher education. It is, therefore, difficult to set clearly defined limits between the planning functions of the P.G.C. and its functions as the body having control of the higher education budget. Planning and budgeting must inevitably be interwoven.

As part of its planning and budgetary activity during the year under review, the P.G.C. examined and reassessed its method of dealing with the institutions of higher education: firstly, the institutions of higher education were placed in their appropriate budgetary frameworks; secondly, important changes were made in the various channels through which funds are allocated; thirdly, detailed discussions were held on certain professions from the points of view of the national economy and higher education as a whole.

One of the prerequisites for the comprehensive planning of higher education is the existence of a national body or national bodies dealing with all the institutions of higher education without exception. During the first years of its existence the P.G.C. dealt only with the seven universities (to be more precise — five universities, the Technion, Israel Institute of Technology and the Weizmann Institute). Later Everyman's (Open) University was added to the list. During 1980/81 special efforts were devoted to finding a suitable framework for the institutions of higher education which are not universities: Bezalel-Academy of Arts and Design, Jerusalem; the Rubin Academy of Music in Jerusalem; Jerusalem College of Technology; the Shenkar College of Textile Technology and Fashion. A sub-committee of the P.G.C. was charged with these. In addition, the Council for Higher Education appointed a permanent sub-committee to follow the activities of the academic

courses in teacher training colleges accredited by the Council for Higher Education. Extensive discussions were held on the status of the academic courses in regional colleges. A detailed report was prepared to which the P.G.C. added its recommendations. These measures have, for the first time, brought all the institutions of higher education within the sphere of activity of permanent sub-committees of the Council for Higher Education.

Setting in order the house of higher education as a whole is especially important in view of the expected increase in student numbers in the coming decade. Attempts to plan for the development and growth of the higher education system are doomed to failure if they do not take into consideration all the components of the system, including the smaller non-university institutions. Thus, we attach special importance to the steps taken during the past year to bring all the institutions of higher education into coordinated frameworks of budgeting and planning.

The P.G.C.'s allocations to the universities are directed through five channels:

a. global allocations

b. allocations to encourage investment

c. earmarked allocations for research

d. allocations for development

e. allocations for special projects.

In the year under review important changes were made in each of these channels.

The global allocation is the principle allocation that each institution receives to ensure its current operation. Over the years the P.G.C. has devoted much thought to objective methods of measuring the "output" of an institution of higher education. No single formula can serve as a basis for such an allocation. Even if such a formula existed, its publication would distort the whole system. For example, consideration of student numbers might lead to the admission of students not up to university standards; consideration of graduate numbers might lead to degrees being awarded to those not qualified to receive them; participation in a certain percentage of each institution's budget might encourage budget padding; encouraging the institutions highly successful in raising funds would be in the nature of aid to the rich while withholding aid from the poor; support for institutions not successful in raising funds might encourage indolence and laissez faire. Criteria must be found, accompanied, as far as possible, by objective and quantitative measure-

ment of the teaching and research output of an institution. As for the rest — common sense and good judgement are required.

In 1980/81 the P.G.C. made a new approach to the formulation of the criteria for determining global allocations. Two teams, independent of each other, prepared proposals for the allocation of funds to the universities. One team followed the procedures used in previous years, based on a detailed examination of each university's budget proposal and work programme, utilizing quantitative indexes for such subjects as wages, tuition, etc. The second team worked on the quantitative evaluation of each institution's "output", examining different factors such as: student numbers, graduate numbers, the scope and quality of research, the relative weight of different areas of teaching and research according to their costs, etc.

The results of the independent work of the two teams were presented to the P.G.C., which took all the data into consideration when determining its participation in the budget of each institution. We intend to follow these procedures in the coming years, with continual improvement in the quantitative evaluations of the scope of the work of the universities. Apart from the quantitative measurements, the importance of general policy considerations as to the desired directions of the development of the system must not be forgotten.

Allocations to encourage investment have as their object the provision of an incentive to invest donations in endowment funds. These allocations originated in "historic" commitments of different Ministers of Finance before the establishment of the P.G.C. Recently, due to the increasing need for funds to help cover the current operating expenses of the universities and a decline in the need for donations for new building projects, the P.G.C. decided to continue to encourage investment in endowment funds. The interest accruing yearly from these funds is devoted to covering part of the ordinary budget of the university, while the fund itself remains invested. The P.G.C. discussed this subject in depth and decided, in coordination with the Accountant General of the Ministry of Finance, on a far-reaching change in the method of making allocations to endowment funds. Each institution will be entitled to an annual allocation which will be a certain percentage of the total value of all its endowment funds deposited in Israel. The institution must use its allocation to cover part of its ordinary budget. The coming years will show if this approach succeeds in the long-term objective of increasing endowment funds.

The third channel is that of earmarked allocations for research based on

quality and excellence. This year there was an increase in the P.G.C.'s allocations for this purpose. The Yigal Allon Fellowship Fund for Outstanding Young Researchers was inaugurated and there was a substantial increase in allocations to the fund for basic research and for the purchase of scientific equipment. For the first time the P.G.C.'s budget for 1980/81 included a special item covering all the allocations for research, amounting to more than 2% of the entire Government participation in the higher education budget. We intend to continue to increase gradually the resources devoted to research in the universities.

The Government's allocation to the physical development of the higher education system in 1980/81 was directed to the continued realization of the five-year construction programme agreed upon earlier in coordination with the universities and the Ministry of Finance. As the end of the five-year programme approached, the P.G.C. requested the universities to present their physical development plans for the next five years. Planning the academic development of higher education for the period 1983—1988 will be the focal point of the Committee's deliberations in 1981/82. The construction plans of the universities will be included in the over-all planning for this period. It should be noted that Government investment in construction in the universities has decreased in recent years and is now only one fifth of what it was during the "seven fat years". In the middle of the 1980's it will be necessary to increase investment in construction in anticipation of the increase in student numbers forecast for the end of the decade.

The fifth budgeting channel is that of allocations for special projects. Some of these projects are of a general nature, common to all the universities, and are of primary national and social importance. Two outstanding examples are the allocations to the pre-academic preparatory courses for students with higher education potential and participation in the "Perach" tutorial project, by which university students act as tutors to pupils in schools. In addition there were dozens of "historic" obligations to support projects in various universities. In the year under review, the P.G.C. succeeded in including most of these obligations in the global allocations of the universities. As from the 1981/82 academic year the P.G.C. will no longer be involved in these projects.

In the year under review the P.G.C. devoted much effort to the examination of several special aspects of the higher education system, such as the national need for doctors, dentists and social workers. Each one of these professions was examined in the light of the needs in the years ahead and the capacity of the existing schools. It was decided to freeze, but not to reduce, the

number of medical student and to increase substantially the number of dental students without opening a third school of dentistry. Upon the P.G.C.'s recommendation, the Council for Higher Education approved studies in social work at Ben-Gurion University of the Negev while reducing financial resources and limiting the number of students studying social work in the centre of the country. Different aspects of the country's need for engineers, teachers, the natural sciences and para-medical professions were examined. One important result of these examinations was the conclusion that the existing university system will meet most of the country's requirements in the coming years. There is no need for new universities, general or sectorial, or for new faculties, although the need might arise for new academic programmes or the strengthening of programmes within existing faculties. When the P.G.C. completes its planning of the higher education system for the coming years, it will be in a position to present a map of the existing courses and those that call for expansion or contraction.

Planning and budgeting are the means by which the Government and the public can influence higher education. The P.G.C. is charged with the responsibility for translating the national needs and the views of different State institutions into the operative language of the institutions of higher education, without infringing upon the academic and administrative freedom guaranteed in the Council for Higher Education Law. The institutions themselves have demonstrated in a large measure their awareness of and response to the problems of the country and its economy. It must be noted with satisfaction that the delicate relationship between the Government, the Council for Higher Education, the Planning and Grants Committee and the institutions of higher education continues successfully to find the proper balance between government planning and academic freedom and between orderly budgeting and the administrative freedom of each institution of higher education.

Regretfully I must deplore the appearance during the past year of ominous evidence of lack of public sensitivity for the independence of institutions of higher education. It is unfortunate that some public figures saw fit to attack the universities' freedom of action which is specifically anchored in law. There were also attempts to undermine the freedom of scientific research. Progress, scientific or spiritual, is impossible without academic freedom. Every person who believes in the importance of this freedom must resist any attempt to harm it.

At the end of the P.G.C.'s eighth year, I would like to thank all its members for their contribution to its work, their advice and initiative. Prof. Joshua

Jortner, who completed the statutory six years of membership, was undoubtedly one of the moulders of the patterns of its work. I thank him most sincerely for his outstanding contribution to the work of the P.G.C. and for the two years in which I enjoyed his collaboration. Prof. Nehemia Levtzion resigned his membership after a relatively short period of time but managed nonetheless to leave his mark on a number of important problems facing the P.G.C. At the end of the 1980/81 academic year two new members joined us — Prof. Yehudith Birk and Prof. Gabriel Warburg. Mr. Itzhak Mann, Mr. Simha Soroker and Prof. Daniel Sperber will continue their membership of the P.G.C. in the coming year. I look forward to the continuation of our cooperation and hope to have the pleasure of their advice and wisdom in the future as hitherto.

I owe a very special expression of my personal gratitude to the Director-General Gedalia Yaakoby, to our senior officials, to the P.G.C.'s consultant and to all the members of the staff of the Council for Higher Education and the Planning and Grants Committee.

The continuation of the cooperation and mutual understanding between the Planning and Grants Committee and the institutions of higher education on the one hand, and the Government and public institutions on the other, enabled the Committee to attain its objectives. For this I would like to thank the heads of the institutions of higher education, the Minister of Finance and his staff and the Chairwoman and members of the Knesset (Parliament) Education and Culture Committee. I also wish to express my thanks to the members of the Council for Higher Education for the fruitful deliberations we had together and the support they gave the P.G.C.

To the Chairman of the Council for Higher Education, the Minister of Education and Culture Mr. Zevulun Hammer, for his interest in and encouragement of our work and his part in the development and consolidation of higher education I express my deep-felt gratitude.

Haim Harari

THE DIRECTOR-GENERAL'S REPORT

A. Introduction

Goals

The following are some of the goals that the Planning and Grants Committee set itself for 1980/81 as part of its multi-year programme:

— Greater attention would be paid to planning. This involved the compilation of the information and data required for decisions on planning;

— Priorities in the development of higher education would be assessed before the formulation of long-term plans. These would be based on forecasts of student and staff numbers and the buildings and equipment required. An attempt would be made to estimate the country's requirements for personnel with higher education;

— Quality would be preferred to quantity in the distribution of fields of study between the institutions of higher education, and inter-institution collaboration would be encouraged to ensure more efficient utilization of resources;

— There would be continuous assessment of the P.G.C.'s procedures and especially its criteria for the allocation of funds;

— The P.G.C. would do its utmost to increase public awareness of the work of the institutions of higher education.

This, its eighth annual report, reviews the performance of the P.G.C. in the academic year 1980/81 as against its goals.

Election of Members to the P.G.C.

On May 16 1981 the Council for Higher Education elected Mr. Itzhak Mann to a second three-year term of office.

At the end of July 1981 Prof. Joshua Jortner completed six years of office. In his place the Council for Higher Education elected Prof. Yehudith Birk to a three-year term of offiice.

At the end of 1980/81 Prof. Nehemia Levtzion resigned his membership. In his place the Council for Higher Education elected Prof. Gabriel Warburg to a three-year term of office.

The Higher Education System in 1980/81

The higher education system consisted of 16 institutions accredited by the

Council for Higher Education. 12 of these institutions receive their budgetary allocations from the P.G.C.

Students numbered more than 64,000, of whom more than 10,000 were awarded degrees.

Staffs totalled 15,000.

Buildings covered over 1.3 million sq. metres.

Institutions Budgeted by the P.G.C.

Universities: The Hebrew University of Jerusalem; the Technion, Israel Institute of Technology; Tel-Aviv University; Bar-Ilan University; Haifa University; Ben-Gurion University of the Negev; Weizmann Institute of Science.

The number of students in these seven universities was approximately 59,000. About 64% studied the humanities and social sciences, 21% the natural sciences and medicine and 15% engineering.

About 74% of the students were studying for the degree of Bachelor, 21% for the degree of Master and 5% for the Ph. D. or its equivalent.

University staffs consisted of about 14,000 established posts, approximately half of them technical, administrative and services staff. The academic staff numbered about 7,400, of whom 1,000 were teaching assistants.

Approximately 10,000 degrees were awarded, as in recent years.

University buildings covered an area of about 1.2 million sq. metres of which about 77% were devoted to teaching and research and 23% to various services, including student dormitories.

Everyman's (Open) University: Approximately 9,000 students took, in all, 90 courses, about 7,700 of them took academic courses. This student number is equivalent to 2,850 full-time students in a regular university. The staff numbered 340, 220 of them academic staff, 120 technical, administrative and services staff.

Non-University Institutions of Higher Education: Bezalel-Academy of Arts and Design; the Rubin Academy of Music in Jerusalem; Jerusalem College of Technology; the course in the economics and administration of the kibbutz economy in the Ruppin Institute of Agriculture.

Institutions Not Budgeted by the P.G.C.

The David Yellin Teachers College in Jerusalem, the Jerusalem College for Women and the Beit Berl College are financed by the Ministry of Education

and Culture. The Shenkar College of Textile Technology and Fashion in Ramat-Gan is financed by the Ministry of Commerce and Industry. Students in these four institutions numbered over 1,000, all of them studying for the degree of Bachelor. About 250 were awarded the degree. Staff numbered about 380, including 270 academic established posts.

B. Organisation and Administration

Meetings: The P.G.C. held 40 meetings during the year, including visits to the 8 universities, a special visit to the Institute for Desert Research in Sde Boker and three joint sessions with the Committee of Heads of Universities. Three former members of the P.G.C. — Prof. Nathan Rotenstreich, Prof. Rachel Shalon and Mr. Oded Messer — participated in a special meeting devoted to problems in the planning of higher education.

The staff: The administrative staff is responsible for maintenance and administrative and technical services. All material presented to the P.G.C. and the Council for Higher Education is prepared by the professional staff. In 1980/81 the staff numbered 18¼ established posts.

In addition, the following provided services under special contract: a consultant, an accountant and internal comptroller and a payments officer.

Sub-committees: During the year under review the P.G.C. activated 39 sub-committees with a total membership of 180. 10 of the sub-committees, with a membership of 60, were permanent and 29, with a membership of 120, were ad hoc. Recommendations of the sub-committees are presented to the P.G.C. and the Council for Higher Education as a basis for their deliberations. It is worthy of note that members serve on the sub-committees on a voluntary basis.

Expansion of the P.G.C's Mandate

On March 26, 1980 the Council for Higher Education decided to expand the P.G.C.'s mandate to include four non-university institutions of higher education — the Rubin Academy of Music in Jerusalem; Bezalel-Academy of Arts and Design, Jerusalem; Jerusalem College of Technology; Shenkar College of Textile Technology and Fashion. In addition the academic course in the economics and administration of the kibbutz economy in the Ruppin Institute of Agriculture and the course in business administration in the College of Administration in Tel-Aviv came within the purview of the P.G.C.

The P.G.C. appointed a sub-committee for these institutions, composed of Prof. Haim Harari and Prof. Daniel Sperber of the P.G.C. and Mrs. Ayala Zacks-Abramov and Prof. Kenneth Preiss.

The primary functions of the sub-committee are:

— to propose to the P.G.C. the ordinary and development budgets of these institutions and courses, taking into consideration their needs and the requirements of the State;

— to compile data on these institutions, to propose academic and physical development programmes and to express its opinion on the opening of any new academic unit or the expansion or contraction of existing units;

— to follow the implementation of programmes, to make sure that income and expenditure are balanced and to promote efficiency and economy while preventing unnecessary duplication.

The sub-committee's decisions require the approval of the P.G.C.

During 1980/81 the sub-committee met three times and visited the Rubin Academy of Music in Jerusalem and Bezalel-Academy of Arts and Design, Jerusalem.

Examination of the "Criteria for Allocating Funds"

The P.G.C. was established after the approval by the Council for Higher Education on January 15, 1974 of the "Criteria for the Allocation of Funds to Institutions of Higher Education".

In the light of the experience gained during the first six years of its activity, the P.G.C. decided to re-examine the "Criteria", which were drafted in 1973/74, with a view to their possible revision.

Publications

During 1980/81 the P.G.C. published the following:

— Bulletin — an information sheet, each issue devoted to a particular subject. 11 issues appeared during 1980/81. The Bulletin is distributed, inter alia, to the press, the heads of the institutions of higher education, the Knesset Education and Culture Committee.

— The Work Programme of the P.G.C. for 1980/81;

— The Annual Report of the Planning and Grants Committee no. 7, Academic Year 1979/80 (Hebrew and English versions);

— Survey of University Libraries — 1978/79;

— Report of the "Elkana Committee" on Pre-Academic Preparatory Courses;

— Surveys of Manpower in the Universities. 5 surveys appeared during the year — on Ben-Gurion University of the Negev, Haifa University, Tel-Aviv University, Weizmann Institute of Science and Bar-Ilan University. The survey on the Hebrew University of Jerusalem appeared in 1979/80 and the survey on the Technion, I.I.T. is due to appear in 1981/82.

— Forecast of New Student Potential in Institutions of Higher Education from 1980/81 to 1996/97.

Publications prepared by, or with the cooperation of, others, and in particular the Central Bureau of Statistics, were also distributed.

Information on higher education in other countries as well as a monthly list of books and periodicals received in the P.G.C.'s library were widely distributed.

Events

Prof. Harari was invited to accompany the President of the State of Israel, Mr. Itzhak Navon, on his state visit to Egypt in October 1980.

Prof. Harari spoke at a meeting of the Executive Council of the Weizmann Institute of Science, addressed the Board of Governors of Haifa University, participated in a graduation ceremony at Jerusalem College of Technology and adressed the Council of the Technion, I.I.T., the Senate of Ben-Gurion University of the Negev and spoke at the ceremony of the award of Ph.D. degrees at Tel-Aviv University.

The Chairman and Director-General hosted Mrs. James de Rothschild, Chancellor of Everyman's (Open) University, Prof. Avraham Ginzburg, President of the University, and other distinguished guests on the occasion of the university's accreditation and its authorization to award the degree of Bachelor.

The Director-General brought the greetings of the P.G.C. at the ceremony marking the opening of the academic year at Bezalel-Academy of Arts and Design, Jerusalem. The Director-General and Secretary-General attended the ceremony of the award of degrees to the first graduates of the course in the economics and administration of the kibbutz economy at the Ruppin Institute of Agriculture.

Dr. Meir Zadok participated in an international seminar on the problems of higher education held at the University of Lancaster in England.

On March 30, 1981 a ceremony was held in the Residence of the Presidents of the State of Israel to mark the inauguration of the Fellowship Fund for Outstanding Young Researchers commemorating the late Yigal Allon. Those present included the President of the State of Israel Mr. Itzhak Navon, Mrs. Ruth Allon, the Minister of Education and Culture and Chairman of the Council for Higher Education Mr. Zevulun Hammer, the Deputy Prime Minister Prof. Yigael Yadin, members of the Knesset, heads of th institutions of higher education, members of the Council for Higher Education and the Planning and Grants Committee and many others.

Administrative Budget

After adjustments resulting from inflation and financial cutbacks the administrative budget for 1980/81 was set at 5,594,300 Israel Shekels (I.S.). About 63% represented expenditures on wages and related expenses, about 29% expenditures on activities and about 8% on administration.

C. Budgets

The fiscal year of the institutions of higher education coincides with the academic year — October to September.

The P.G.C. has to take into consideration at any given time 3 academic fiscal years: a summary including the financial statement and audit of the previous year; the implementation of the budget of the current year; preparation and approval of the budget for the coming year. In 1980/81 the P.G.C. dealt with the budgets for 1979/80, 1980/81 and 1981/82.

Since the fiscal year of the Government is from April to March, the higher education budget has to be adjusted from time to time to meet the difference in the fiscal years.

The Ordinary Budget

Guidelines for the preparation of budgets: The guidelines sent to institutions of higher education for the academic year 1980/81 stated, inter alia, that budgets in that year must take into consideration a reduction in real terms in the P.G.C.'s allocation compared with 1979/80. Government decisions of November 18, 1979 on financial constraints necessitated reappraisal of the situation by the institutions of higher education.

The guidelines for 1981/82 were based on the "Guidelines for determining multi-year budgets" published by the P.G.C. in December 1978. The following were the principles binding for the preparation of budgets for 1980/81 :

— The budget proposal must be balanced and realistic. The allocation requested from the P.G.C. must be only that which is necessary to balance the budget. An institution accumulating a deficit will have the amount of the deficit deducted from its budget in the following year.

— The P.G.C.'s participation will take into consideration only those academic units approved by the Council for Higher Education and the administrative and service units connected with them.

— Budgets must not be balanced by borrowing. Loans require the prior approval of the P.G.C.

— Budget proposals must include full details of all the activities of the institution by administrative units, classified as follows :

1. units financed from the ordinary budget ;
2. extracurricular programmes and projects funded by specific outside sources ;
3. subsidiary companies or bodies with special legal status connected with the institution.

— Expenditures on wages will be recognized only if they are based on wage contracts approved by the Civil Service Commission.

— Budget proposals must be based on prices at a specific given date, on the assumption that they will be updated and adjusted as far as possible to current prices.

Although there has been a distinct improvement in the presentation of budget proposals by the institutions, the P.G.C.'s goal of uniformity of format and presentation has not yet been realized.

Budgetary framework for 1980/81 : The ordinary budget for 1980/81, as approved by the P.G.C. after the examination of proposals presented by the institutions of higher education and the resources made available by the Ministry of Finance, amounted to I.S. 3,485.6 million. The P.G.C.'s participation amounted to I.S. 2,589.3 million, i. e. about 74%.

The Ordinary Budget — Income

The income of the higher education system in 1980/81 derived from the following sources:

— The P.G.C.'s allocation — 74% as against 73% in 1979/80;
— Tuition fees — 4% as against 5% in 1979/80;
— Donations — 9% as against 10% in 1979/80;
— Miscellaneous — 13% as against 12% in 1979/80.

The P.G.C.'s allocation: Due to inflation the P.G.C. had to adjust its allocation four times in 1980/81 in order to ensure the implementation of projects provided for in the agreed budget and to prevent deficits. These adjustments involved repeated deliberations in the P.G.C. itself, between the P.G.C. and the Ministry of Finance and between the P.G.C. and the institutions of higher education.

Income from tuition fees: 1980/81 was the fourth year of the implementation of the recommendations of the "Navon Committee" which determined the level of tuition fees in the institutions of higher education for a period of five years (until the end of 1981/82). Tuition fees were linked to the average between the cost-of-living index and cost-of-living allowances based on the figures for May of the previous year, i.e. a lag of one year. Tuition fees in 1980/81 were I.S. 2,412 if paid by the student himself and I.S. 2,857 if paid by his employer or from some other source. Income from tuition fees represented only a very small share of the higher education budget — 4% in all. The five-year agreement did not allow for any change in tuition fees without a special Government decision.

Income from donations: The difficulties encountered by the institutions of higher education in raising funds in 1980/81 increased due to the economic situation in Israel and abroad and to competition between the different institutions of higher education.

In recent years the P.G.C. has been active in urging that donations should be diverted from the development budget to the ordinary budget. Incentives were given to the investment of donations in endowment funds. As a result the portion of the ordinary budget coming from the interest accruing from endowment funds has increased considerably.

Other income: The institutions of higher education continued their efforts to increase their income from research projects and the sale of services. Charges for such services, including housing for staff, student services, etc., are adjusted to the cost-of-living index.

The P.G.C. made a comparative survey of aid to staff and students, including tuition fees, rent in student dormitories and charges in cafeterias. Based on the results of this survey, the P.G.C. decided to require the institutions to strive to make services and aid to students self-supporting.

The Ordinary Budget — Expenditure

It is worthy of note that as a result of increased efficiency and economy, in the transition from 1979/80 to 1980/81, 252 academic posts and 429 administrative and technical posts were eliminated in the higher education system.

The P.G.C.'s participation in the budget of the higher education system, amounting to I.S. 2,543.7 million, not including the administrative budget of the P.G.C., was as follows:

— global allocations to 7 universities	— I.S. 2,149.5 million
— global allocation to Everyman's (Open) University	— I.S. 39.4 million
— global allocations to non-university institutions of higher education	— I.S. 45.7 million
— earmarked allocations	— I.S. 47.3 million
— allocations for general programmes	— I.S. 254.8 million
— allocation for special projects	— I.S. 7.0 million

Global Allocations

1980/81 was the first year in which the P.G.C. allocated funds to institutions of higher education which are not universities. Thus 12 institutions received global allocations: 8 universities, including Everyman's (Open) University, and 4 non-university institutions of higher education. The allocation is based on the principle that budgets must be balanced. Three institutions had yet to present audited balance sheets for 1979/80, although they presented unofficial financial reports. The P.G.C. decided that as from the balance sheets for 1980/81 (i.e. during 1981/82) institutions that did not present their balance sheets on time would not receive their allocations.

The balance sheet of one university showed a deficit. A special committee was appointed to examine its financial situation and suggest ways of eliminating the deficit. The university's budget for 1980/81 was approved on condition that there would be no deficits in the future.

After lengthy deliberations in committees appointed to examine financial reporting in institutions of higher education, rules for financial reporting

were drawn up and appropriate guidelines sent to the institutions. Meetings were held with the representatives of each institution separately, including their auditors, in order to clarify specific problems. Beginning with the balance sheets for 1980/81 financial reporting must conform to the new rules.

The P.G.C. is not a party to agreements or negotiations on wages in the institutions of higher education. However, the P.G.C. checks wage agreements to see whether they are within the framework of the budget approved and are authorized by the Civil Service Commission. In 1980/81 several universities granted unauthorized payments. As a result, the P.G.C., in coordination with the Civil Service Commission and the Ministry of Finance, deducted certain sums from the budgets of the universities concerned.

The P.G.C. continued to examine its criteria for budgetary allocations with the object of improving them and rendering them more effective. A theoretical exercise examined the allocation of resources based on different characteristics. The actual allocation each year was examined with a view to formulating a system of checking the allocations. The results of this exercise will be used as a basis for the continuation of the tests and the construction of a fixed model for them. Preliminary results have shown that the basis for the allocation of funds in recent yars was reasonable and stood up to the various tests.

Earmarked Allocations

The reduction in resources available to the universities has adversely affected most sensitive areas such as recruitment of outstanding young academic staff, renewal of scientific equipment, keeping libraries up-to-date and the funding of research. The P.G.C. gives special incentives to the universities, based on open competition, to ensure the continuation of their academic activity.

Three-year fellowships for outstanding young researchers: These fellowships are intended for outstanding young researchers who have never had an appointment as lecturer or senior lecturer in a university in Israel. The fellowship is equivalent to the average salary of a lecturer or senior lecturer as the case may be. Candidates are presented by the universities in open competition. The universities undertake to include the fellow's salary in its regular budget upon the completion of the three years of the fellowship. The P.G.C. determines to whom the fellowships will be awarded, based upon the recommendations of special selection committees which it appoints. In 1980/81 20 fellowships were awarded for the 4th cycle of fellowships to

commence in 1981/82. 9 of them were in the humanities and social sciences and 11 in the natural sciences and technology.

In 1980/81 49 researchers held fellowships in all three cycles: in the third and final year of the first cycle there were 14 fellows — 7 in the natural sciences and technology and 7 in the humanities and social sciences; in the second year of the second cycle there were 15 fellows — 7 in the natural sciences and technology and 8 in the humanities and social sciences; in the first year of the third cycle there were 20 fellows — 11 in the natural sciences and technology and 9 in the humanities and social sciences.

In all, the universities received the sum of I.S. 7,120,000 to cover the salaries of the fellows in 1980/81.

The first cycle of fellowships was funded by a special grant from the Barecha Foundation of Charity. The 20 fellowships awarded from the 1981/82 academic year will be financed from the Fellowship Fund for Outstanding Young Researchers commemorating the late Yigal Allon.

About 60 fellowships in 3 cycles awarded each year should assure the renewal of academic staff in the universities.

Scientific equipment: Allocations for the purchase of expensive scientific equipment, especially for experimental research, are granted upon the recommendations of a special sub-committee appointed by the P.G.C.

In 1980/81 I.S. 14 million were allocated for the purchase of 28 items or sets of equipment costing a total of I.S. 21 million.

Requests for allocations were classified by the sub-committee as follows: equipment intended for a single researcher or research team and institutional equipment intended for more than one research team. The sub-committee took into consideration: the scientific level of the research teams for which the equipment was intended; the contribution of the research project to the development of new fields and methods of research; the potential contribution of the research project to the economy and society. In addition, the allocations are intended to encourage the recruitment of outstanding researchers and stimulate inter-university cooperation.

Libraries: I.S. 12 million were allocated to the universities in 1980/81 for the purchase of books and periodicals, upon the recommendation of the sub-committee for university libraries, which was established in 1977/78.

The total amount to be allocated, determined in advance by the P.G.C., is divided between the institutions according to the relative expenditure of each institution on the purchase of books and periodicals out of the total

expended for that purpose by all the institutions together. An additional condition is that each institution spend in the current year not less than its expenditure, in real terms, in the previous year. As from 1981/82 the method of allocating funds to university libraries will be simplified.

The sub-committee for university libraries devoted most of its efforts in 1980/81 to the establishment of a national bibliographic data centre. A survey commissioned from I.B.M. was sent to a number of foreign experts for their evaluation. Their opinions assisted the sub-committee in deciding upon the organizational structure of the centre, the subjects it will cover and the links between the different institutions and the centre.

The sub-committee also gave some thought to supporting projects that encourage cooperation between university libraries. The joint preparation of the Union List of Serials and the unit for inter-library loans were singled out as examples of such cooperation.

Research: The P.G.C. finances, wholly or in part, the following funds for research in the universities: the fund for basic research administered by the Israel Academy of Sciences and Humanities; the fund for applied industrial research administered by the Israel Academy of Sciences and Humanities; the joint P.G.C. — Ministry of Defence research fund; the joint P.G.C. — Israel Atomic Energy Commission research fund. I.S. 14 million were allocated to these funds in 1980/81.

The P.G.C. initiated a discussion on the establishment of a fund to finance the research of doctoral students. The universities decided to study the proposal.

Allocations for General Programmes

There are a number of programmes common to the higher education system as a whole. Allocations to each of these programmes are based on appropriate criteria. For this reason they are not included in the global allocation.

Allocations to encourage investment: These allocations are an incentive to the institutions to accumulate donations to be invested in endowment funds, the interest accruing from which annually would go to the institution's ordinary budget. On the recommendation of its sub-committee, the P.G.C. adopted new procedures for such allocations. After discussions with the heads of the universities, new guidelines were sent to them. As from the 1981/82 academic year, endowment funds will no longer be matched singly. Each university will have a portfolio of all its endowment funds. Allocations will be equivalent to a certain percentage of the value of the entire portfolio

at a certain date. The new procedure will simplify matters and make for more effective checking and follow-up.

According to provisional estimates, the value of all the endowment funds at the end of 1980/81 was approximately I.S. 2.7 billion. The P.G.C.'s allocations for 1980/81 were estimated to be I.S. 230 million.

The sum of I.S. 225 million was approved in 1980/81 as final allocations for 1979/80.

Pre-academic preparatory courses: A committee was appointed to follow-up and further the implementation of the recommendations of the "Elkana Committee", which were adopted by the Ministry of Education and Culture in 1980/81. A department of the Ministry of Education and Culture is responsible for their implementation. Three new basic documents were prepared:

1. procedures for determining those eligible for pre-academic studies;
2. criteria for determining the eligibility of students with higher education potential for subsistance allowances;
3. procedures for the preparation of budgets.

As from 1980/81 entrance examinations for the pre-academic preparatory courses are held in all the universities and candidates can take the examination in any of them, regardless of where they intend to study.

Of the 2,500 students in the pre-academic preparatory courses in the universities, approximately 1,450 were in the category of those with higher education potential and therefore deserving of every encouragement. The P.G.C. allocated I.S. 9 million to cover the tuition fees of the latter. The Ministry of Defence and the Ministry of Education and Culture covered their living expenses.

Tutorial project: Almost 6,000 tutors took part in the project by which university students act as tutors to pupils in schools requiring special coaching. Over 200 schools were involved. The project was run by an administrative staff of 3 and 135 tutorial coordinators. Each tutor received a scholarship of I.S. 1,700, equivalent to 60% of the tuition fees in the universities.

Students Loan Fund: The budget of the fund in 1980/81 was I.S. 13.5 million, of which the P.G.C.'s share was I.S. 5.5 million and that of the banks parties to the fund I.S. 6.7 million, the remaining I.S. 1.2 million to be covered by the repayment of loans. As the actual expenditure was less than envisaged, the P.G.C.'s share amounted to I.S. 3 million.

8,986 students applied for loans. 5,833 loans, varying from I.S. 200 to I.S. 2,000 and amounting to a total of I.S. 8.152 million, were actually taken up.

As of 1980/81 students in pre-academic preparatory courses are entitled to apply for loans from the fund.

The Development Budget

Investments in physical development in the universities in 1980/81 amounted to approximately I.S. 325 million, a continuation of the decline, in real terms, as compared with previous years, being now only about 40% of what it was in 1973/74. Whereas in 1970—75 the development budget was about 25% of the total higher education budget, it has declined to about 10%. The P.G.C.'s allocation has declined even more, being in 1980/81 only 25% of what it was in 1973/74.

The multi-year plan for 1977/78 — 1980/81, agreed upon in 1978 by the P.G.C. and the Ministry of Finance on the one hand and the P.G.C. and the universities on the other, continues to be the basis for the P.G.C.'s involvement in development budgets. The plan included 15 projects covering an area of about 100,000 sq. metres and the Mt. Scopus project which covers about 100,000 sq. metres.

The P.G.C.'s participation in financing the multi-year plan agreed upon, which was to cover both the Government's commitments to the projects included in the multi-year plan (excluding the Mt. Scopus project) as well as commitments to the universities from previous years, was set in 1978 at I.S. 61.3 million. This amount was to be distributed over the period covered by the plan in annual allocations of I.S. 14 million each, at 1977/78 prices, the equivalent of I.S. 130 million a year at 1980/81 prices. In 1980/81 about I.S. 70 million were allocated as participation in the financing of the plan (excluding the special allocation for Mt. Scopus).

The Mt. Scopus project of the Hebrew University of Jerusaem is regarded as a project of national importance. A special agreement was drawn up in 1978 between the Government, represented by the Ministry of Finance, and the Hebrew University of Jerusalem for the completion of 100,000 sq. metres under construction, with public participation amounting to $ 14 million to be allocated over a period of 10 years, $ 1.4 million per year. By the end of 1980/81 almost all the projects included in the multi-year plan for 1977/78 — 1980/81 were completed, and almost all of the Mt. Scopus campus. A small number of projects are still under construction and work

on them will continue beyond the five-year period in which they were to have been completed.

Apart from the agreed multi-year plan, the universities may request the P.G.C.'s approval for additional essential projects on condition that they are financed in their entirety, including maintenance costs, from donations. Each request is examined from the following four aspects: the university's requirements; the requirements of society and the economy; the investment involved and the availability of resources; its anticipated influence on maintenance costs. In 1980/81 the P.G.C. approved 5 such requests, all of them limited in scope, covering a total area of about 8,500 sq. metres.

Towards the end of the implementation of the multi-year plan for 1977/78 — 1980/81, the P.G.C. began preparations for the next five-year period — 1981/82 — 1985/86, based on the following assumptions:

— The rate of development of the universities in the next five years will not necessitate any significant increase in buildings;

— Particular attention will be paid to equipment, especially scientific equipment;

— Development plans will include projects to which, in the period of rapid development, it was not possible to devote much consideration or resources, such as renovation of existing buildings and infra-structure, including ways and means of conserving energy;

— The resources available for development will be much less than hitherto. Only in very exceptional cases will the P.G.C. be able to participate in construction budgets. Funds raised by the universities for new buildings will have to cover maintenance costs as well.

The institutions of higher education were requested to present to the P.G.C. their multi-year development plans, based on the above assumptions, in preparation for discussions on them at the beginning of the 1981/82 academic year.

D. Planning

In its first years, the P.G.C. was concerned mainly with matters administrative and budgetary. These have reached a stage that permits the P.G.C. to devote more thought to planning — long and short range.

Long-Range Planning

Assessment of the demand for university education: A forecast was made of the potential increase in student numbers in the universities in the period

1980/81 — 1997/98 with the object of examining the problems that will face higher education in the next decade. This forecast indicated that the number of new students in the universities would increase annually by 2—3% until 1985/86 and by 3—4% from 1986/87 to 1993/94. After a review of the preliminary findings of the forecast, it was decided to conduct further surveys: a forecast of the number of students according to fields and levels of study and a forecast of the requirements of the economy and society for academically trained personnel. At present a student may choose his university. However, in view of the expected increase in the number of students in the next decade, the problem arises of adapting demand to the absorptive capacity of the various institutions.

Absorptive capacity of the universities: Parallel with the forecast of the potential demand for university studies, preparations were made for a forecast of the absorptive capacities of the universities by institution and fields of study, including the following:

— *A survey of personnel in the universities:* This survey, which was carried out in six universities in 1980/81, will also assist in the formation of a unified wage system for purposes of budgeting.

— *A survey of existing buildings according to use:* In 1980/81, after the completion of the projects included in the first multi-year plan, preparations were made for the next five-year physical development plan, to meet expected requirements. A survey was begun of existing buildings, according to the uses to which they are put.

Statistics: In 1980/81 the Central Bureau of Statistics, in collaboration with other organisations, published the following statistical reports:

— Persons with Academic and Post-Secondary Education, 1974;

— Staff in Universities, January 1977;

— Education and Employment of Graduates of Israeli Universities — 1979, vol. 1. Findings of Survey on 1976/77 Graduates;

— Students in Universities: Studies, Employment and Sources of Income — 1978;

— Students in Universities — 1979/80;

— Recipients of Degrees from Universities — 1979/80;

— Candidates for First Degree Studies in Universities — 1979/80.

Current Planning

New units: One of the P.G.C.'s functions is to examine "if there is a need for a new institution of higher education or a new unit".

In the year under review the P.G.C. studied a request for the establishment of a new university preparatory to submitting its views to the Council for Higher Education.

With the agreement of the institutions of higher education the P.G.C. established procedures for the speedy examination of plans for new units. Each institution informs the P.G.C. of its plans, including changes in the structure of its academic units. The P.G.C. then informs the institution whether or not a particular plan must be discussed by the P.G.C. or the Council for Higher Education.

The following plans were discussed by the P.G.C. in the year under review:

— the establishment of a school of veterinary medicine in the Hebrew University of Jerusalem;

— the decision of the Technion, I.T.T. to close down its department of mining engineering;

— the request of the Ministry of Labour and Social Affairs to discuss the reopening of studies in geodesy in Tel-Aviv University;

— the inclusion of the budget of the Institute for Kibbutz Research in the budget of Haifa University.

Miscellaneous

— In view of the findings of the report prepared by the Economic Planning Authority on the supply of and demand for doctors, the P.G.C. discussed the subject with the heads of the schools of medicine, senior officials of the Ministry of Health and the heads of the universities. The P.G.C. came to the conclusion that there were no grounds for reducing the number of medical students in the faculties of medicine in Israel. The problem was not the number of students graduating annually from schools of medicine in Israel, 300 in number, but the total number of doctors, their geographical distribution and the professional qualifications of those coming from abroad.

— The five-year plan of the Institute for Desert Research in Sde Boqer was discussed, along with plans for its financing. It was decided that as from 1981/82 the budget of the five-year plan would be included in the budget of Ben-Gurion University of the Negev.

— The Committee for the Survey and Forecasting of Research Personnel in Israel, headed by Prof. Roberto Bachi, which was appointed jointly with the Israel Academy of Sciences and Humanities and the National

Council for Research and Development, presented its report. The P.G.C. is studying the Committee's findings.

— It was decided to examine forecasts of the demand for engineers, teachers and other academically trained personnel in cooperation with the Economic Planning Authority and the Manpower Planning Authority.

— The P.G.C. participates in the Inter-ministerial Committee for the Employment of Academics headed by the Director-General of the Employment Service in the Ministry of Labour and Social Affairs.

— Following upon the negotiations on wages in the institutions of higher education, which represent 70% of their budgets, the P.G.C. decided to request a team of experts to prepare a theoretical model of an acceptable basis for deciding upon the wages of academic staffs.

E. The P.G.C. and the Universities

The P.G.C. maintains close contact with the universities, in particular on matters such as budgets, financing, financial reporting, new academic units and current problems.

The Committee of Heads of Universities: The Chairman and Director-General of the P.G.C. are in regular contact with the Chairman of the Committee and the Chairman of its Committee of Directors-General. Current problems are discussed and information exchanged.

Two meetings were held with the Committee of Heads of Universities in which the following topics were discussed: budgets, allocations to endowment funds, allocations for equipment and libraries and fellowships for researchers; aid to students in light of the results of a survey conducted by the P.G.C.; internal comptrollers in the universities based on the recommendations of a sub-committee of the P.G.C. A special meeting was held with the participation of the directors of budgets of the universities to discuss and clarify the guidelines for the preparation of budgets for 1981/82 and the guidelines for financial reporting and the presentation of balance sheets.

The draft amendment to the Council for Higher Education Law - 1958 was sent to the Committee of Heads of Universities for its comments.

Visits to the universities: In 1980/81 the P.G.C. visited all the universities. Heads of universities, deans and members of the governing bodies participated in the discussions. The Assistant Accountant General in the Ministry of Finance accompanied the P.G.C. and members of its administrative staff

on these visits. In preparation for the visit, the institution was asked to present a list of subjects for discussion. Multi-year academic planning and the resulting multi-year physical plans and development budgets were the main topic of discussion in all the institutions. In addition there was a discussion in each institution of its own specific problems and a visit paid to one of its facilities.

The general topics brought up during the visits included: off-campus activities, including the university's services to the region; ways of ensuring scientific excellence; earmarked allocations for recruiting outstanding researchers, for scientific equipment and libraries; academic staff — numbers and quality and the prospect of ensuring rejuvenation; the question whether it is essential that there be advanced studies in all the universities; the governing bodies of the universities — their composition and terms of reference; administrative problems of the universities, which are in fact giant complex organisations; the inclusion of all university activities in its budget and financial report; the importance of balanced budgets in times of diminishing resources; the trimester system and summer classes and their justification; rules regarding colleges, branches and extensions, etc.; foreign students.

Inter-institution cooperation: The P.G.C. continued its efforts to promote cooperation between the universities, despite the difficulties encountered. The following activities should be noted:

— Efforts to increase the number of foreign students. To that end a subcommittee was established, including representatives of the universities, the Ministry of Immigrant Absorption and the Jewish Agency. It was decided to cooperate in the publication of a guide to all the institutions of higher education in Israel, the distribution of information and the production of a film for presentation abroad.

— An "Education Team" was formed, headed by Prof. Haim Harari, and composed of representatives of the P.G.C., the university schools of education, the Ministry of Education and Culture and a representative of the public. The team discussed the participation of students in the activities of the education system and recommended close contact between the universities and the higher grades of secondary schools.

— The Inter-Institution Committee for Oceanography continued its activities in Eilat and in Haifa.

— The Inter-Institution Team for Energy Conservation continued its work, assisted by an expert engineer for consultation and the collection and

evaluation of proposals. Allocations were made for the joint implementation of projects likely to lead to conservation of energy.

— The P.G.C. prepared a comparative survey of the governing bodies of the institutions. Certain problems, such as the participation of senior civil servants in the governing bodies, were brought to the attention of those concerned.

— Two universities — the Hebrew University of Jerusalem and Tel-Aviv University — proposed the joint activation of a natural history museum based on their collections.

F. The Council for Higher Education

The Chairman of the P.G.C., who is ex-officio a member of the Council for Higher Education, the Director-General and the Deputy Director-General attend the meetings of the Council. The Secretary-General is responsible for coordinating the work of the Council and providing the administrative services.

There were regular meetings with the Minister of Education and Culture, who is the Chairman of the Council, on matters concerning the Council and the P.G.C.

During the year Prof. Haim Harari reported to the Council, inter alia, on the following: the budgetary situation of the higher education system; the P.G.C.'s work programme; forecasts of academic personnel; discussions in the Knesset Education and Culture Committee on higher education; the agreement of Prof. Nehemia Levtzion, a member of the P.G.C., to study the problem of academic courses in regional colleges and present his recommendations; the pre-academic preparatory courses; the appointment of a sub-committee of the P.G.C. to deal with the non-university institutions of higher education; the report of the "Bachi Committee" — Survey and Forecast of Research Personnel in Israel; the increase in the budget for research based on open competition; tuition fees in the institutions of higher education.

The Council devoted a session to the discussion of the P.G.C.'s 7th Annual Report for 1979/80.

During the year the P.G.C. submitted to the Council its views on the following:

— the schools of dentistry, based on the recommendations of the "Rachmilevitz Committee";

— studies leading to the degree of Master in economics in Haifa University based on the recommendations of the "Sheshinski Committee";

— studies in social work based on the report of the "Rivka Bar-Yosef Committee";

— studies leading to the degree of Master in criminology in the Hebrew University of Jerusalem and Bar-Ilan University.

G. Government and Public Institutions

The P.G.C., by virtue of its terms of reference, is in contact with various government and public institutions.

Committees of the Knesset (Parliament)

The Education and Culture Committee: Close contacts were maintained with the Chairwoman of the Committee on all current matters affecting the higher education system. The Chairman, Director-General and Secretary-General of the P.G.C. participated in 13 meetings of the Education and Culture Committee, in which the following were discussed: the financial situation of the institutions of higher education; student riots on campus; the draft Hebrew Language Law; the dispute between Tel-Aviv University and its Students Union; the pre-academic preparatory courses.

The Finance Committee: Matters relating to budgets were discussed with the Chairman of the Finance Committee and with the Chairman of its Sub-committee on Budgetary Modifications. Information on the budgets of the higher education system and the P.G.C.'s 7th Annual Report for 1979/80 were distributed to members of the Committee.

Labour and Social Affairs Committee: The Chairman of the P.G.C. and the deans of the schools of medicine participated in a meeting of the Committee devoted to employment problems facing graduates of the schools of medicine.

Government Institutions

Ministry of Finance: In addition to daily contact with the Budget Department of the Ministry, meetings were held wih the Minister of Finance, the Director-General of the Ministry and the Accountant-General and his deputies. The following topics were among those discussed: the problems facing the higher education system as a result of diminishing Goverment allocations; development budgets; allocations as an incentive to investment in endowment funds; tuition fees.

Civil Service Commission: The P.G.C. maintained regular contact with the Commission to coordinate positions on wages in the higher education system, including the prevention of deviations from wage agreements. Consultations were held on the problem of wages and wage conditions and especially on the conclusions reached by committees that studied the erosion of wages of academic staffs. Pension problems were also discussed.

Ministry of Education and Culture: The following subjects of mutual interest were discussed with the Ministry of Education and Culture: the pre-academic preparatory courses; the Sde Boqer Campus; the transfer of responsibility for the budget of Beit Berl College to the Ministry of Education and Culture; different frameworks for teacher training; the academization of courses of study in several teacher training colleges; the "Education Team" for co-ordination between the university schools of education and the Ministry of Education and Culture; the treatment of gifted pupils and programmes for science-oriented pupils.

State Comptroller's Office: The discussions with the department dealing with the higher education system centred upon three main subjects; the Comptroller's report on the Students Loan Fund; the Comptroller's criticism of the construction of the Haifa University "tower"; the Comptroller's report on the Hebrew University of Jerusalem, especially items connected with allocations to endowment funds.

The National Council for Research and Development: The Chairman of the P.G.C., Prof. Haim Harari, was appointed by the Minister of Energy and Infrastructure to membership of the Council. The following were among the subjects discussed with the Director of the Council: research budgets; overhead expenses in financing research projects; the various committees appointed to examine the technological and scientific work-force.

Ministry of Health: Discussions were held with the Minister of Health and the Director-General of the Ministry on the following: schools of dentistry and the recommendations of the "Rachmilevitz Committee" on preventive oral medicine; problems of medical students returning from abroad; national examinations for acceptance to medical residency; peripheral hospitals and the contacts between them and the university schools of medicine.

Other ministries: Meetings were held with the Ministry of Foreign Affairs, the Ministry of Defence, the Ministry for Immigrant Absorption and the Attorney-General's Office. Information was exchanged and replies given

to questions relating to the higher education system and the P.G.C.'s functions.

Other Institutions

The Jewish Agency: A part of the public funds for higher education comes from the Jewish Agency. A representative of the Jewish Agency is an observer at the P.G.C. meetings and the Agency receives current information on higher education.

The Israel Academy of Sciences and Humanities: There is close contact and cooperation between the Academy and the P.G.C., especially in the promotion of scientific research.

In Conclusion

The Annual Report of the P.G.C. for the academic year 1980/81 marks the completion of 8 years of the planning and budgeting of the higher education system. A review of this period reveals that despite an annual decrease, in real terms, of about 2% in public participation in its budget, there has been no regression in the scope or content of higher education. This was made possible thanks to increased efficiency and economy, organisational coordination and other measures, the purpose of which was to secure more effective utilization of the resources available. Moreover, the institutions of higher education were able to increase the number of their students and assure the continuation of controlled academic growth and development. By keeping within its budgetary framework, the higher education system won the confidence of the public and of government and public institutions. This confidence ensured an atmosphere conducive to cooperation between the institutions of higher education and the P.G.C.

However, we cannot ignore the potential danger of severe damage to infrastructure, the recruitment of outstanding young academic staff, the renewal of scientific equipment and libraries and the promotion of scientific research. The P.G.C. has taken and will continue to take all measures necessary to prevent the deterioration of that which it took Israel and the Jewish people many years to achieve. It is my hope that in the future as hitherto we shall succeed in maintaining the budgetary framework that will enable the higher education system to fulfil the tasks entrusted to it.

We are indebted to all those, and they are many, who assisted us, by word and deed, to fulfil the objectives that find their expression in this report.

Above all we owe very much to the high standard, the ability and dedication of our staff.

With the completion of another year's activity, I look forward to the continuation of fruitful cooperation between the institutions of higher education and the P.G.C. and its staff.

Gedalia Yaakoby

Annex I

THE ORDINARY BUDGET — 1979/80 AND 1980/81

The Universities

(I.S. Millions)

	1979/80					1980/81				
		Income					Income			
	Approved Budget	P.G.C.'s Allo-cation	Fees from Students	Dona-tions	Other Sources	Approved Budget	P.G.C.'s Allo-cation [1]	Fees from Students	Dona-tions	Other Sources
Total	1,187.2	863.7	62.8	126.4	134.3	2,947.5	2,183.0	129.0	256.9	378.6
Hebrew University of Jerusalem	320.0	240.0	14.0	32.0	34.0	779.5	592.5	28.0	71.1	87.9
Technion, I.I.T.	190.0	151.5	9.0	14.0	15.5	487.7	384.7	21.7	37.6	43.7
Tel-Aviv University	248.0	196.0	18.0	15.0	19.0	625.5	499.5	37.5	23.1	65.4
Bar-Ilan University	98.0	69.0	9.0	7.2	12.8	239.8	178.8	14.2	19.3	27.5
Haifa University	63.0	48.0	6.0	2.7	6.3	161.5	123.5	12.9	4.2	20.9
Ben-Gurion University of the Negev	89.0	69.5	4.4	9.7	5.4	220.5	181.0	6.5	23.5	9.5
Institute for Desert Research	7.8	4.2	—	1.8	1.8	16.0	11.0	—	1.1	3.9
Weizmann Institute of Science	145.0	70.5	—	39.0	35.5	359.5	178.5	—	66.2	114.8
Everyman's (Open) University	26.4	15.0	2.4	5.0	4.0	57.5	33.5	8.2	10.8	5.0

1. Including wage differentials from previous years.

Annex 2

THE ORDINARY BUDGET — 1979/80 AND 1980/81

The Non-University Institutions of Higher Education

(I.S. Millions)

	1979/80					1980/81				
		Income					Income			
	Approved Budget	P.G.C.'s Allo-cation	Fees from Students	Dona-tions	Other Sources	Approved Budget	P.G.C.'s Allo-cation [1]	Fees from Students	Dona-tions	Other Sources
Total	22.8	16.9	1.9	1.6	2.4	57.0	45.4	3.8	3.5	4.3
Bezalel — Academy of Arts and Design	12.0	10.4	0.7	0.3	0.6	30.6	27.3	1.5	1.0	0.8
Rubin Academy of Music in Jerusalem	5.2	3.4	0.5	0.3	1.0	12.6	10.1	1.0	0.5	1.0
Jerusalem College of Technology	4.7	2.8	0.3	1.0	0.6	11.2	7.3	0.5	2.0	1.4
Ruppin Institute of Agriculture (academic course)	0.9	0.3	0.4	—	0.2	2.6	0.7	0.8	—	1.1

1. Including wage differentials from previous years.

Annex 3

THE DEVELOPMENT BUDGET OF THE UNIVERSITIES 1979/80 AND 1980/81

(I.S. thousands, current prices)

	1979/80		1980/81	
	Actual Investments [1]	P.G.C.'s Allocation	Estimated Investments	P.G.C.'s Allocation
Total	153,890	44,520	328,500	84,236
Hebrew University of Jerusalem, including Mt. Scopus	50,000	14,620	150,000	17,220
(Mt. Scopus alone) [2]	(39,500)	(4,620) [3]	(140,000)	(14,220) [3]
Technion, I. I. T.	45,000 [4]	17,000	75,000 [4]	35,000
Tel-Aviv University	28,020	7,500	45,000	14,000
Bar-Ilan University	12,660	1,500	20,000	3,000
Haifa University	630	300	2,500	750
Ben-Gurion University of the Negev, including Inst. for Desert Research	14,960	3,000	28,000	10,700
(Inst. for Desert Research alone) [2]	(1,820)	(—)	(3,000)	(700)
Weizmann Institute of Science	1,000	—	4,500	1,900
Everyman's (Open) University	1,620	600	—	—
Special allocation for the conservation of energy — total	—	—	3,300	1,666

Notes:

1. Source of data — financial reports of the universities; including construction, installations and furniture in new buildings. Does not include basic scientific equipment financed from ordinary budget.
2. Defined as a project of special national importance.
3. Including allocations not from the State budget.
4. After deducation of estimated commitments pending.

Annex 4

STUDENTS IN UNIVERSITIES [1] BY INSTITUTION
(1969/70 — 1980/81)

	1969/70	1972/73	1974/75	1977/78	1978/79	1979/80	1980/81
				Absolute Numbers			
Total	36,239	48,942	52,088	54,060	55,790	57,500	58,970
Hebrew University of Jerusalem	12,960	15,819	14,665	13,180	13,780	14,770	14,970
Technion, I. I. T.	6,100	8,345	8,471	8,760	8,360	7,940	7,990
Tel-Aviv University	8,250	12,264	13,004	13,530	14,480	15,310	15,610
Bar-Ilan University	4,356	5,771	7,246	8,150	8,500	8,670	9,370
Haifa University	2,839	3,405	4,802	5,920	6,050	6,190	6,090
Ben-Gurion University of the Negev	1,315	2,762	3,308	3,960	4,080	4,300	4,480
Weizmann Institute of Science	419	576	592	560	540	500	460
				Percentages			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hebrew University of Jerusalem	35.8	32.3	28.2	24.4	24.7	25.7	25.4
Technion, I. I. T.	16.8	17.0	16.3	16.2	15.0	13.8	13.5
Tel-Aviv University	22.8	25.1	25.0	25.0	26.0	26.3	26.5
Bar-Ilan University	12.0	11.8	13.9	15.1	15.2	15.1	15.9
Haifa University	7.8	7.0	9.2	11.0	10.8	10.7	10.3
Ben-Gurion University of the Negev	3.6	5.6	5.3	7.3	7.3	7.5	7.6
Weizmann Institute of Science	1.2	1.2	1.1	1.0	1.0	0.9	0.8

1. Not including Everyman's (Open) University.

Source: Central Bureau of Statistics.

Annex 5

RECIPIENTS OF DEGREES[1] FROM UNIVERSITIES[2] BY INSTITUTION
(1969/70 — 1979/80)

	1969/70	1972/73	1974/75	1976/77	1977/78	1978/79	1979/80
				Absolute Numbers			
Total	5,566	8,317	8,799	10,144	9,799	9,556	9,406
Hebrew University of Jerusalem	2,622	3,287	3,124	3,094	2,970	2,482	2,396
Technion, I. I. T.	1,032	1,260	1,372	1,433	1,647	1,487	1,347
Tel-Aviv University	1,203	1,749	1,995	2,754	2,461	2,457	2,452
Bar-Ilan University	423	855	813	1,023	1,124	1,284	1,265
Haifa University	187	777	842	938	716	1,046	1,015
Ben-Gurion University of the Negev	23	297	537	771	792	688	810
Weizmann Institute of Science	76	92	116	131	89	112	121
				Percentages			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hebrew University of Jerusalem	47.1	39.5	35.5	30.5	30.3	26.0	25.5
Technion, I. T. T.	18.5	15.2	15.6	14.1	16.8	15.6	14.3
Tel-Aviv University	21.6	21.0	22.7	27.2	25.1	25.7	26.1
Bar-Ilan University	7.6	10.3	9.2	10.1	11.5	13.4	13.4
Haifa University	3.4	9.3	9.6	9.2	7.3	10.9	10.8
Ben-Gurion University of the Negev	0.4	3.6	6.1	7.6	8.1	7.2	8.6
Weizmann Institute of Science	1.4	1.1	1.3	1.3	0.9	1.2	1.3

1. Including recipients of diplomas.
2. Not including Everyman's (Open) University.

Annex 6

LIST OF SUB-COMMITTEES

1. The Sub-committee for Non-University Institutions of Higher Education.
2. The Sub-committee for Schools of Education in the Universities.
3. The Steering Committee for Energy Conservation in the Institutions of Higher Education.
4. The Sub-committee for Allocations to Endowment Funds.
5. The Sub-committee for Foreign Students in the Universities.
6. The Sub-committee for University Libraries.
7. The Sub-committee for Computers.
8. The Inter-institution Committee for the Institute for Desert Research.
9. The "Education Team" for Cooperation between the Schools of Education in the Universities and the Ministry of Education and Culture.
10. The Sub-committee for Scientific Equipment.
11. The Sub-committee for the Yigal Allon Fellowships for Outstanding Young Researchers.
12. The Sub-committee for Natural Science Collections.
13. The Pre-academic Preparatory Courses Follow-up Committee.
14. The Inter-university Committee for Cooperation between Israel and other States in Middle Eastern Studies.